

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Complaint of the Greeting
Card Association

Docket No. C2020-2

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued March 27, 2020)

To clarify the basis of the Postal Service's Motion to Dismiss, filed February 19, 2020,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than April 3, 2020. Responses to the Postal Service's answers (and limited in scope to only the answers) may be submitted to the Commission no later than April 10, 2020.

1. Please refer to the Postal Service's Motion to Dismiss, in which the Postal Service states that it has "found that Stamped Letters and Metered Letter have different price elasticities."² Please provide any supporting data and documentation for the Postal Service's statement that Stamped Letters and Metered Letters have different price elasticities.
2. Please provide the number of First-Class Single-Piece Metered Letter customer accounts for each fiscal year, from 2014-2019.
3. The table below presents an estimate of the difference in mail processing unit costs of Stamped Letters and Metered Letters. The unit mail processing cost of

¹ United States Postal Service's Motion to Dismiss with Prejudice the Greeting Card Association Complaint, February 19, 2020 (USPS Motion to Dismiss).

² USPS Motion to Dismiss at n2.

Stamped Letters is calculated based on the volumes and costs for Metered Letters and total First-Class Single-Piece Letters provided with the Postal Service's Annual Compliance Report. Please confirm the accuracy of the figures in the table and the reasonableness of the resulting estimate. If an alternative approach would be more accurate, please provide the resulting estimate and show how it is calculated.

Estimate of Mail Processing Cost Differentials			
Category	Volume	Unit Cost	Total Cost
	(000)	Cents per Piece	(\$000)
Stamped Letters	10,001,370	16.84	\$ 1,684,170
Metered Letters	5,952,564	13.63	\$ 811,277
Total FC Single Piece Letters	15,953,934	15.64	\$ 2,495,446
Mail Processing Unit Cost Difference		3.21	

Sources:

Volume

Stamped Letters: By subtraction, Total FCSP Letters - Metered Letters

Metered Letters: Docket No. ACR2019, USPS-FY19-26, December 27, 2019, "Shp19prc.xlsx," tab "Products," Cell AA13

Total FCSP Letters: Docket No. ACR2019, USPS-FY19-26, December 27, 2019, "Shp19prc.xlsx," tab "Products," Cell D13

Unit Cost

Stamped Letters: Total Cost / Volume

Metered Letters: Docket No. ACR2019, USPS-FY19-26, December 27, 2019, "Shp19prc.xlsx," tab "LTTR Unit Costs Final Adj.," Cell O59

Total FCSP Letters: Docket No. ACR2019, USPS-FY19-26, December 27, 2019, "Shp19prc.xlsx," tab "LTTR Unit Costs Final Adj.," Cell D59

Total Cost

Stamped Letters: By subtraction, Total FCSP - Metered Letters

Metered Letters: Volume * Unit Cost

Total FCSP Letters: Volume * Unit Cost

4. Please refer to Docket No. ACR2019, Library Reference USPS-FY19-19, December 27, 2019, folder "Delivery Model Files," Excel file "UDCModel19.xlsx," tab "1.Table 1," cells C8 and C9.
 - a. Please confirm that the unit cost of delivery for First-Class Single-Piece Stamped Letters is 10.565 cents per piece. If not confirmed, please explain, and provide the Postal Service's best estimate of unit delivery cost for First-Class Single-Piece Stamped Letters.

- b. Please confirm that the unit cost of delivery for First-Class Single-Piece Metered Letters is 11.819 cents per piece. If not confirmed, please explain and provide the Postal Service's best estimate of unit delivery cost for First-Class Single-Piece Metered Letters.
 - c. Please discuss the reasons why the unit delivery cost for First-Class Single-Piece Stamped Letters is less than the unit delivery cost for First-Class Single-Piece Metered Letters.
- 5. Please confirm that Docket No. ACR2019, Library Reference USPS-FY19-32, December 27, 2019, folder "B Workpapers," Excel file "CS16-Public-FY19.xlsx," tab "Inputs," cell D54 shows the total volume of Stamped Mail is 13.7 billion pieces. If not, please explain.
- 6. Please confirm that the general Ledger Account, Account Numbers 51101.15-56661.150, when summed, show that the total cost of stamp distribution equals \$5,501,637. If not confirmed, please explain.
- 7. Please confirm that the general Ledger Account, Account Numbers 52441.000-51401.150, when summed, show that the total cost of stamp production equals \$34,976,215. If not confirmed, please explain.
- 8. Please refer to Docket No. ACR2019 Library Reference USPS-FY19-2, December 27, 2019, Excel file "FY19Public Cost Segs and Comps.xlsx", tab "CS03," cell D8.
 - a. Please confirm that First-Class Single-Piece Letters window services costs were \$205.3 million in FY 2019. If not, please explain.

- b. Please provide any available information about the proportion of these costs incurred by stamped letters and the proportion incurred by metered letters.

By the Chairman.

Robert G. Taub